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## SUMMARY

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19.	Comment on Hungarian government reorganization (page 7).	
	WESTERN EUROPE	
10.	West German government believes election outcome hinges on Soviet unity action (page 8).  * * * *	
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	SECURITY INFORMATION	
	GENERAL	
		25X1
2.	Britain may propose US sponsorship of special UN session if Rhee talks fail:	·
	Britain may propose that the United States call for a special session of the UN General Assembly if the negotiations with Syngman Rhee fail to progress this week. The American embassy in London states that Acting Foreign Secretary Salisbury believes American sponsorship of a special session would be preferable to reluctant American concurrence under pressure from other nations.	25X1
	Comment: While British government spokes- men have recently expressed full support for American leadership in Korea, suspicion has increased that the United States cannot be relied	
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## SECURITY INFORMATION

on to refrain from new and drastic moves. London may therefore now want a reaffirmation of American support for the announced UN objectives in Korea and for the present armistice terms.

The British also apparently believe that such a reaffirmation by the General Assembly as a whole would intensify the moral and political pressure upon Rhee.

Vyshinsky told Ambassador Bohlen during the 4 July embassy reception that it was of the greatest importance that an armistice be concluded. He stated that the Soviet leaders "found it difficult to understand why the US permitted Syngman Rhee to release the prisoners." While displaying cynicism toward Bohlen's explanation that the United States does not control the South Korean government, Vyshinsky nevertheless expressed his conviction that the difficulties with Rhee would be overcome.
Comment: These remarks, together with the earlier statements of Vyshinsky and Soviet ambassador Kuznetsov suggest that Moscow is interested in obtaining a firm guarantee that either Rhee will respect a truce or the US will be able to enforce the truce.
Vyshinsky's statements imply that Moscow will support a compromise settlement of the prisoner issue. This was also indicated by Kuznetsov's statement that the Chinese demand that all non-repatriates be recaptured should not be taken literally.

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SOUT	'H ASIA	

## 6. Comment on the prospects of a settlement in Kashmir:

Despite the presence in India of top Kashmiri officials, the prospect of talks between the Indian and Pakistani prime ministers late in July, and the conciliatory statements being made by the leaders of both countries, past experience has demonstrated the fallacy of expecting India to make concessions acceptable to Pakistan for settlement of the Kashmir question.

Partition of Kashmir along the present Indo-Pakistani occupation lines and the establishment of the Vale as an independent or semi-independent area, whose defenses and communications would be guaranteed by both India and Pakistan, would be

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unlikely to lead to political stability. Kashmiri premier Sheikh Abdullah would oppose any diminution of his sphere of influence and would resist any move completely to surround the Vale with Indian and Pakistani territory.

Neither India nor Pakistan, both of which are aware of the opportunistic and pro-Communist leanings of the Abdullah government, would consider an independent Vale of Kashmir to be a good security risk.

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			EASTERN	EUROPE		
	9.	Comment on Hung	garian governme	ent reorganization	<u>n</u> :	
			The swe	eping reorganiza	ation of the government	
		and Communist F	Party in Hungary	, accompanied by he tempo of socia	y the announced intent alization and relax past	
		harsh coercive p	olicies, is unpar	alleled in the Sa	tellites.	
			While th	nese concessions	can be partly explained	
		by critical food s	hortages and gre	owing popular dis	scontent, they may also	
		Failure of the Hu	mgarian parliam	ent to meet on 1'	roughout the area.  7 June as prescribed by	
		the constitution s the outbreak of th	suggests that the	changes were be	ing formulated prior to	
			Recent	concessions to R	umanian and Albanian	
		peasants may be	preparatory to	similar changes	in those countries.	
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SECURITY INFORMATION

## WESTERN EUROPE

unity action:	
	West German government leaders believe
	that the coalition parties will win the September
	national elections without difficulty, but that any
	"sweeping" Soviet unity proposals would com-
lotely alter this n	rospect. According to American officials in Bonn,
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hade leadons entis	vingto that in the event of such Soviet proposals, the
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these leaders antic United States would	cipate that in the event of such Soviet proposals, the d help the Adenauer government by immediately implene contractual agreement, demanding the release of

Comment: An opinion poll in early June showed the popularity of Adenauer and his party at an unprecedented high, but also indicated that over 38 percent of the electorate had not yet decided how to vote in the September elections. Any government opposition to a Soviet proposal for free all-German elections under neutral supervision would likely alienate many of the undecided voters.

The West German press has tended to become critical of the government's reluctance to press the Allies for four-power talks.

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